# IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF NEW YORK

In Re Canon **Inkjet Printer Litigation** 

Case No.: 2:14-cv-03235-LDW-SIL

### **CLASS ACTION**

# **JURY TRIAL DEMANDED**

# PLAINTIFFS' CONSOLIDATED CLASS ACTION COMPLAINT

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Co-Lead Counsel for Plaintiffs

Plaintiffs Sarah Barrett, Marcus Ho and Melanie Clark ("Plaintiffs"), on behalf of themselves and all others similarly situated, bring this action against Defendant Canon U.S.A., Inc. ("Defendant" or "Canon"), and allege as follows:

1. This is a putative class action related to defective printers manufactured, marketed and sold by Canon. The defective printers include, at a minimum, the following 18 models: Pixma MG5320, MG5300, MP500, MP530, MP600, MP610, MP620, MP640, MP730, MP800, MP960, MP970, MX700, MX712, MX850, MX860, MX870, and MX892 (collectively the "Printers"). As discussed below, the Printers suffer from a uniform undisclosed defect that causes them to fail prematurely, and well before the end of their useful lives. This defect manifests itself by displaying the following "U052" coded error message – "The type of print head is incorrect. Install the correct print head." When this error message inevitably appears, it causes the Printers to abruptly stop working, and disables all of the functions on the Printers (the "Defect").

#### **PARTIES**

- 2. Plaintiff Sarah Barrett resides in Forest, Virginia. Plaintiff Barrett purchased a Canon Pixma MX892 Printer for her personal use from Best Buy in Lynchburg, Virginia on July 22, 2012. The Printer was designed, manufactured, marketed, distributed, and/or sold with the Defect by Defendant. Plaintiff Barrett's Printer has exhibited the Defect described herein and she has been injured as a result.
- 3. Marcus Ho is a resident of New York, New York. He purchased one of the Printers (model MG5320) in January 2012 from Buy.com. Shortly after Plaintiff Ho's Printer was outside of its one year warranty period, it displayed the "U052" error message and became completely inoperable. Ho contacted Canon about the problem in or around June of 2014. Canon refused to

repair or replace the Printer for free because it was outside of the warranty period. Plaintiff Ho has been injured as a result.

- 4. Plaintiff Melanie Clark resides in Hemet, California. Plaintiff Clark purchased a Canon MX892 Printer for her personal use in February of 2013. In June 2014, Clark's Printer began displaying a persistent error message with the error code "U052." Plaintiff Clark has been injured as a result.
- 5. Defendant Canon is, upon information and belief, a New York entity with its headquarters located at One Canon Park, Melville, NY 11747. Upon information and belief, Canon U.S.A., Inc. is a wholly-owned subsidiary of Canon, Inc., a Japanese corporation, through which it designs, manufactures, and/or distributes consumer electronics products, and sells Canon brand consumer products direct to the public through its international retail website Canon.com, including the Printers containing the Defect forming the subject matter of this action, which Canon caused to be placed into the stream of commerce in this District and throughout the United States.

#### **VENUE AND JURISDICTION**

- 6. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332, because there is an aggregate amount in controversy exceeding \$5,000,000, exclusive of interest and costs, and because at least one Plaintiff and class member are citizens of a state different from Defendant. This Court also has supplemental jurisdiction over the state law claims pursuant to 28 U.S.C. § 1367.
- 7. Venue is proper in this District because Canon U.S.A. conducts substantial business in this District, including the promotion, sale and marketing of its products, sufficient to render it within the jurisdiction of this Court. In addition, the events and conduct giving rise to the

violations of law in this action constitute interstate commerce, and a significant portion thereof occurred in this District.

8. This Court has personal jurisdiction over Canon U.S.A. because it has sufficient minimum contacts with the State of New York for the State to exercise jurisdiction consistent with due process.

# SUBSTANTIVE ALLEGATIONS

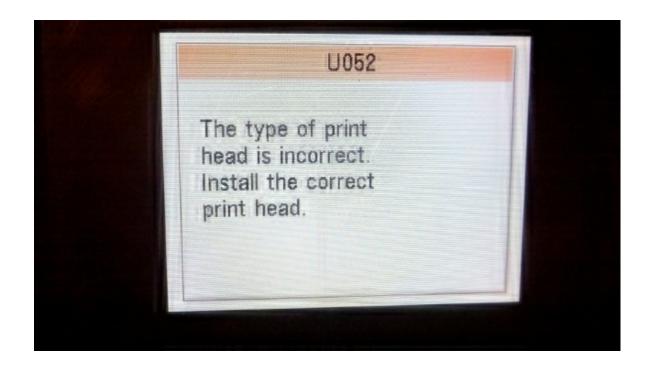
- 9. Canon is in the business of manufacturing, marketing and distributing for sale a variety of electronics products, including numerous different models of Printers, to consumers throughout the United States.
- 10. Most, if not all, of the Printers at issue in this case have liquid crystal display screens on which messages are displayed. An image of the MX892 model is below:



An image of the MG5320 Printer model is below:



11. The Printers are defective because they are prone to display error message U052, which Canon product support has defined as an indication that the Printer does not recognize the printhead or that the printhead itself is faulty. An image of the U052 error message is below:



- 12. If the issue cannot be successfully resolved by trouble-shooting, which it could not be in the case of Plaintiffs, the Printer must be returned to Canon for service. Such repair is generally more expensive than purchasing a new printer.
- 13. Canon had actual knowledge of the Defect in the Printers, but has failed to recall the Printers in order to cure the design defect described herein. Canon's knowledge comes from presale testing and from repairs it performed during the warranty period, when it chose not to recall the Printers or extend the warranty for what it knew to be a defective product.
- 14. The Defect described herein was a material fact, only known to Canon, related to the reliability and normal operation of the Printers. Had Plaintiff and members of the Class known about the Defect, they would not have purchased the Printers.
- 15. The Printers include a twelve (12) month warranty. Despite the fact that Canon knew of the Defect from prior consumer complaints well within warranty limitations periods, Canon has refused to pay for labor or diagnostic expenses for consumers with Printers manifesting the Defect more than a year after purchase. Furthermore, Canon has refused to pay any part of the cost of repairing Printers that manifest the Defect one year after purchase. Such cost typically exceeds the cost of a new Printer.
- 16. Consumers of Canon's Printers reasonably expected their Printers to function properly well beyond the 12 months parts and labor warranty provided by Canon's boilerplate warranties. Canon knew or should have known that the defective design of the Printers would render the time limitations in its written warranty grossly inadequate to protect consumers from the Defect, and would subject consumers to expensive repair costs. These warranties are unconscionable under the circumstances here.

- 17. Plaintiff and the members of the Class had no knowledge of the cause of the Defect and did not suspect, nor did they have reason to suspect, that the Defect was caused by Canon's wrongdoing. Plaintiff and the members of the Class could not have known or reasonably discovered, nor did they have reason to know of, the Defect in the Printers created by Canon. Further, they could not have known or reasonably discovered that the Printers they purchased were defective or that the cause of the harm suffered by Plaintiff and the members of the Class was directly attributable to the wrongdoing by Canon as alleged herein. Plaintiff and the members of the Class were not told by Canon of the printhead recognition problem prior to purchasing their Printers.
- 18. Plaintiff and the Class members' lack of knowledge regarding the cause of their damages was due in large part to Canon's concealment of material facts regarding the Defect. The fraudulent acts of concealment by Canon included the intentional concealment and refusal to disclose facts known to Canon about the Defect in the Printers, which Plaintiff and the members of the Class had no reason to learn of or otherwise discover. In fact, Plaintiff and the members of the Class were not aware that Canon's overall malfeasance in designing, manufacturing, distributing, marketing, and selling of its Printers was the cause of their damage.
- 19. Canon, as the designer, manufacturer, marketer, distributor and seller of the Printers, warranted, either expressly or by implication, that the Printers being sold to the general public were not inherently defective, and were reasonably suited for their intended purpose. Canon breached its agreement and warranty by doing so and Canon made and/or allowed these misrepresentations to be made with the intent of making Plaintiff and the members of the Class enter into agreements to purchase the Printers. If Plaintiff and the members of the Class had been

advised of the Defect by Canon, they would not have purchased the Printers or paid as much as they did for the Printers.

- 20. Canon has refused to recall the Printers and has also refused to repair the Defect if the Printer is outside of the warranty period. Class members have suffered damages, and will continue suffer damages, in the amount of the price paid for the Printers, and in the amounts paid to repair or replace them.
- 21. The Printers were sold to distributors and consumers with the knowledge and intent that the Printers be used for the benefit of consumers. Canon and its distributors sold the defective printers to Plaintiff and the members of the Class in the course of their business. In addition, Canon also sells Printers direct to consumers in the United States through its website Canon.com and many of the Printers at issue herein were sold directly to members of the Class by Canon.
- 22. The Printers were not altered by Plaintiff, the members of the Class, Canon's distributors or other personnel. The Printers were defective when they left the exclusive control of Canon and Canon knew the Printers would be used without additional tests for defects. The Printers were defective and unfit for their intended purpose and Plaintiff and the members of the Class did not receive the goods as warranted.
- 23. By engaging in the above described conduct, Canon committed acts and omissions with actual malice and accompanied by a wanton and willful disregard of persons, including Plaintiff and members of the Class, who could be foreseeably harmed by those acts and omissions.
- 24. As a direct result of Canon's actions set forth herein, Plaintiff and the consumers who have purchased the Printers and comprise the Class have suffered injury in fact, have been

damaged and have suffered a loss of money or property for having paid for a product that does not, cannot, and will not work as represented.

# EXPERIENCES OF SIMILARLY SITUATED CONSUMERS

- 25. The common experience by Plaintiffs are by no means isolated or outlying occurrences. Indeed, the internet is replete with examples of blogs and other websites where consumers have complained of the exact same Printer Defect including on forums contained on Canon's own website. A sampling of these complaints is below:
- "Stopped printing while in the middle of a big job with full ink tanks, then when turned back on, gave the dreaded U052 print head error message. I have tried everything given by Canon to re-start..." 1
- "Our canon mx892 will not print due to error U052. i followed all of the suggested steps for this problem related to an MX700 but it did not correct the problem. Now what?" 2
- "Just had it happen to me. MP 610, several years of service. Just printing out taxes and the printer went dead. Turned off the power for a bit, turned it back on: U052, printhead error. Followed random procedures, cleaned the printhead, nothing works." 3
- "My Pixma MG5320 Canon printer is about a year old and has been used very little. All of a sudden we're getting this U052 code. I've tried a number of "fix it" leads found on the internet... unplugging the power source for 5-10 min, removing the ink and printer head and rinsing the printer head and reinstalling it, etc. Nothing has worked. Very disappointed in this product."
- "I have a MP530 with this problem. The printer has only printed a total of 393 pages. What a shame to scrap such a nice printer because Canon will not give us a fix that works." 5
- "I am now just another one in the long list of unhappy Canon customers. Today I was hit with the U502 error message on my PIXMA 892 after it had powered off on its own. The power

<sup>&</sup>lt;sup>1</sup> <u>http://forums.usa.canon.com/t5/Personal-Printers/Call-to-Arms-for-the-dreaded-U052-Wrong-Printhead-Error/td-p/65759</u> (last visited Aug. 28, 2014).

 $<sup>^2</sup>$  Id.

<sup>&</sup>lt;sup>3</sup> <u>http://forums.usa.canon.com/t5/Personal-Printers/Call-to-Arms-for-the-dreaded-U052-Wrong-Printhead-Error/td-p/65759/page/2</u> (last visited Aug. 28, 2014).

<sup>&</sup>lt;sup>4</sup> *Id*.

<sup>&</sup>lt;sup>5</sup> *Id.* 

button was unresponsive and I needed to unplug the printer before it would power back on, at which time I got the error message. Tried removing, reseating and cleaning the print head without any success. I have contacted Canon, but do not expect a satisfactory response."

- "My lightly used MG5300 is now a brick with the U052 error. What a waste of resources, time and money."<sup>7</sup>
- "My MX892 died today for the same reason after a little bit more than one year of usage. So it is out of warranty. I agree with everybody else here this must be a "recall" issue that Canon should have taken serious action on. Count me in if there is a class lawsuit I'd like me money back. Shame on Canon!"8
- "Me, too. MP620. Printed just fine yesterday today the error. Before I found this forum, I spent about three hours, including going out and buying new ink. No luck." 9
- "I had the exact same experience. Once one full year passed, the message.... wrong print head showed... Is it on a timer?" 10
- "I want in also. This is my second MX series printer to give me the same problem. I'm switching to another brand as I'm tired of buying replacement printers. This time, it's the MX892 that is giving me the problem." 11
- "I hope I will also receive a PM from Canon soon. I have exhausted all steps that Canon and Internet recommd but my MX892 still shows the same U052 error. What I don't understand is why a printhead failure would lock down the printer completelly, even for a function such as scan that does not need printing at all." 12

<sup>&</sup>lt;sup>6</sup> *Id*.

<sup>&</sup>lt;sup>7</sup> <u>http://forums.usa.canon.com/t5/Personal-Printers/Call-to-Arms-for-the-dreaded-U052-Wrong-Printhead-Error/td-p/65759/page/3</u> (last visited Aug. 28, 2014).

<sup>&</sup>lt;sup>8</sup> *Id*.

<sup>&</sup>lt;sup>9</sup> <u>http://forums.usa.canon.com/t5/Personal-Printers/Call-to-Arms-for-the-dreaded-U052-Wrong-Printhead-Error/td-p/65759/page/4</u> (last visited Aug. 28, 2014).

<sup>&</sup>lt;sup>10</sup> *Id*.

http://forums.usa.canon.com/t5/Personal-Printers/Call-to-Arms-for-the-dreaded-U052-Wrong-Printhead-Error/td-p/65759/page/5 (last visited Aug. 28, 2014).

http://forums.usa.canon.com/t5/Personal-Printers/Call-to-Arms-for-the-dreaded-U052-Wrong-Printhead-Error/td-p/65759/page/6 (last visited Aug. 28, 2014).

- "Add me to the list of people outraged by this. I use my MP610 about once a month at most, then when I turned it on the other day the dreaded U052 error. Consensus on best replacement printer brand? Canon what is the fix for this?" <sup>13</sup>
- "Same U052 message on my MP560 no other previous issues. About a month ago I replaced several ink cartridges with Canon brand ink cartridges printer was working fine after the replacements and then U052. Tried every solution suggested on other forums and on Canon's forum multiple times nothing has worked. Can't waste any more time on this issue. "<sup>14</sup>
- "My MP610 just started displaying the U052 error. I know its well out of warranty... but... its still very annoying since it won't even let me scan." <sup>15</sup>
- "In the space of 2 weeks, we have had the same U052 call of death of the printers in our family. A 4 year old MP610 and a 2 year old MP640. I expect a printer to last alot longer especially as we've always used Canon inks in them (even when I was a skint student!). They both printed fine until one day they decided to show the error, and in fact it was the newer printer that showed it too. I used to recommend Canon printers straight away, but after researching the error and seeing it's more than an isolated issue, I don't think I'll be recommending Canon again. I have looked up the cost of repair, and it's shocking." 16
- "I have an MX892 printer and get the above error. I do think I've made a 1000 prints total. Now there is nothing I can do with the machine. I am completely locked out which is ridiculous for such a lightly used printer. Can you help me?" <sup>17</sup>
- "My MP610 just gave the UO52 error. Tried everything posted out there including swapping for a set of new cartridges: no success. Now looking for new printer. Very disappointed as Canon had provided me with my best printers so far..."<sup>18</sup>

http://forums.usa.canon.com/t5/Personal-Printers/Call-to-Arms-for-the-dreaded-U052-Wrong-Printhead-Error/td-p/65759/page/13 (last visited Aug. 28, 2014).

http://forums.usa.canon.com/t5/Personal-Printers/Call-to-Arms-for-the-dreaded-U052-Wrong-Printhead-Error/td-p/65759/page/7 (last visited Aug. 28, 2014).

<sup>&</sup>lt;sup>14</sup> *Id*.

http://forums.usa.canon.com/t5/Personal-Printers/Call-to-Arms-for-the-dreaded-U052-Wrong-Printhead-Error/td-p/65759/page/16 (last visited Aug. 28, 2014).

http://forums.usa.canon.com/t5/Personal-Printers/Call-to-Arms-for-the-dreaded-U052-Wrong-Printhead-Error/td-p/65759/page/17 (last visited Aug. 28, 2014).

http://forums.usa.canon.com/t5/Personal-Printers/Call-to-Arms-for-the-dreaded-U052-Wrong-Printhead-Error/td-p/65759/page/22 (last visited Aug. 28, 2014).

- "I have the same dreaded UO52 wrong printhead error shown on my 15 months old printer. What a shame." <sup>19</sup>
- "The same dreaded U052 hit my MP610 this weekend. Without this forum I would have assumed that I had a lemon that had reached its best before date. Instead, after reading 27 pages documenting people's frustrations with their printers and Canon, I realize it's a whole lemon grove! I have been a real Canon fan for cameras, lenses and printers for 40 years but the way they are handling this corporate issue is deplorable! There is no explanation from them to a problem that has reported here for many months! Just wondering how long until my other Canon printer goes belly up."<sup>20</sup>
- "Today one of my golf partners reported his printer had failed, so I stopped him and said "let me guess!" Sure enough, he had the dreaded U052 message and a completely dead Canon printer. After doing all the cleanup and restart procedure they unplugged it in frustration. He and his wife being engineers, they tried to trouble shoot the problem but realized they couldn't fix it themselves. After our game he was off to buy a Brother printer."<sup>21</sup>
- "MP 610 now a brick. I just want to use it for scanning but nope, the printer head error U052 will not allow a workaround. Annoyingly last time I used it the printer was fine. It just ... stopped. I have tried all the fixes short of buying a new printer head, and have just put a bunch of new cartridges in, which was a waste of money and time. Very frustrating. Canon have lost me as a customer too now, this completely sucks."<sup>22</sup>
- "My Canon MG5220 has been terrific until a week ago when suddenly the Wrong Printhead Error occurred... how frustrating to see so many people with this issue and no real solution from Canon. Shopping for new printer thinking it won't be a Canon!"<sup>23</sup>
- "I just received the U052 error on our MP530. I tried all the fixes on the discussion boards but nothing worked. Looking for advice from Canon."<sup>24</sup>

http://forums.usa.canon.com/t5/Personal-Printers/Call-to-Arms-for-the-dreaded-U052-Wrong-Printhead-Error/td-p/65759/page/24 (last visited Aug. 28, 2014).

http://forums.usa.canon.com/t5/Personal-Printers/Call-to-Arms-for-the-dreaded-U052-Wrong-Printhead-Error/td-p/65759/page/28 (last visited Aug. 28, 2014).

http://forums.usa.canon.com/t5/Personal-Printers/Call-to-Arms-for-the-dreaded-U052-Wrong-Printhead-Error/td-p/65759/page/29 (last visited Aug. 28, 2014).

http://forums.usa.canon.com/t5/Personal-Printers/Call-to-Arms-for-the-dreaded-U052-Wrong-Printhead-Error/td-p/65759/page/45 (last visited Aug. 28, 2014).

http://forums.usa.canon.com/t5/Personal-Printers/Call-to-Arms-for-the-dreaded-U052-Wrong-Printhead-Error/td-p/65759/page/42 (last visited Aug. 28, 2014).

<sup>&</sup>lt;sup>24</sup> http://forums.usa.canon.com/t5/Personal-Printers/Call-to-Arms-for-the-dreaded-U052-Wrong-

- "I bought a MX860 all-in-one printer a couple of years ago, and it started giving the U052 error last month. I have tried everything that I could find on the web, no use. This was an expensive buy for me and I won't be buying Canon again. If so many people are affected by the same error, then this is definitely a design defect and canon should fix it for free."25
- "My perfectly working MP600 has just encountered the U052 error in between print jobs for seemingly no reason. I'm extremely disheartened that there seems to be little I can do after reading this thread. I have tried the suggested 'fixes' provided by Canon to no avail. I wonder if they are finding a fix as they said they are earlier in this thread."<sup>26</sup>
- By M. Hoon June 25, 2014 "This printer is a year and a half old. Rec'd a U052 Printer Head Error basically stating that it doesn't recognize the print head even though it's the original print head. No solutions either from Tech Support nor Online have resolved the problem. I had another Canon prior to this one years ago and that one crashed after a year. Product and Canon ended up being in a class action lawsuit because their ink and printers were programmed to read low or empty so you would buy more ink. However, this MG5320 had specs that I liked, so I gave the company the benefit of the doubt. I will never again purchase another Canon. I now believe their business model is set up to take advantage of their customers."<sup>27</sup>
- "Buyer Beware. November 23, 2013. "Ok when it ran. Had this printer for 18 months. After changing ink, got a error saying the printer had the wrong printhead installed. I did nothing with the printhead. Tried everything Canon said to do, but nothing helped. They wanted \$90 for printhead. After some research, found that this is a very common problem with Canon printers. Buyer Beware. Do the research first!!"<sup>28</sup>
- By Theo "This printer did well for only a short time. It was a second printer and RARELY

Printhead-Error/td-p/65759/page/40 (last visited Aug. 28, 2014).

<sup>&</sup>lt;sup>25</sup> http://forums.usa.canon.com/t5/Personal-Printers/Call-to-<u>Arms-for-the-dreaded-U052-Wrong-</u> Printhead-Error/td-p/65759/page/39 (last visited Aug. 28, 2014).

<sup>&</sup>lt;sup>26</sup> http://forums.usa.canon.com/t5/Personal-Printers/Call-to-Arms-for-the-dreaded-U052-Wrong-Printhead-Error/td-p/65759/page/38 (last visited Aug. 28, 2014).

<sup>&</sup>lt;sup>27</sup> See http://www.amazon.com/Canon-MG5320-Wireless-Printer-5291B019/productreviews/B005D5M12M/ref=cm cr dp see all btm?ie=UTF8&showViewpoints=1&sortBy=by SubmissionDateDescending#reviewscontainer?sortBy=recent&reviewerType=all\_reviews&formatType=null&filterByStar=all\_stars (last visited Aug. 27, 2014).

<sup>&</sup>lt;sup>28</sup> http://www.amazon.com/Canon-All-In-One-Inkjet-Printer-2180B002/productreviews/B000V2MK00/ref=cm\_cr\_dp\_see\_all\_btm?ie=UTF8&showViewpoints=1&sortBy=byS ubmissionDateDescending (last visited Aug. 27, 2014).

used to actually print anything. It was purchased to scan slides. The printer was expensive at \$400. I had it only for a year plus when I got a error message that would not allow the printer to work (U052). I replaced all the ink tanks (this was the first time any of the ink tanks were replaced (very expensive) and still received the error that the printhead needed replacement. The printhead is \$80-110. The printer will not do anything without this printhead being replaced. After looking online regarding the error it was evident that this was a design error, not only in the MP960 but other Canon printers. This printer is not recommended by me."<sup>29</sup>

- By R. Wilson (Knoxville TN) :I purchased this printer right at 3 years ago. It went belly up due to a "print head error". It worked great for a while, but the removable print head seems to be the rear problem with Canon's units. It would be a pretty easy fix to get the huge hunk of junk working again. Just sell a print head, they don't, of course. I'd willingly spend 20-40 bucks for a new print head but Canon doesn't even sell one. So you can buy a new printer and just toss out your current one. Seems pretty wasteful and bad business. If you make products that only last 2-3 years and can't be fixed, I'll just find someone else to buy from."<sup>30</sup>
- By Amazonaholic (Austin, Tejas) -This review is from: Canon PIXMA MX860 Wireless All-In-One office Printer (Office Product) "I got almost 2 years out of this until the "U052" error popped up and the printer refused to work any longer. This apparently means that the print head has shorted out and it is time to get a new printer (a new head is about \$70 and will supposedly short out again, according to other owners). I really find this kind of failure unacceptable it seems all of these printers are disposable. It did a decent job of printing while it worked, but as other's pointed out, Canon designed this All-in-One to be completely dependent upon ink. If any ink tank was low, you can no longer print (even in monochrome) or do things like Scan items into your computer (which obviously requires no ink). This was the second All-In-One I have had to bury. I'm a bit disappointed in Canon. I'm going to try to find another printer that might last a while. But I fear that a reliable printer is no longer made." 31
- By Hummingbirds (USA) "This was a great printer for about 1.5 years of very light use! Then all of a sudden one day it gave an error U052 "print head type is incorrect". What?!? This is the original print head that came w/ it and printed great for a while. I have only ever used original Canon inks too, never the cheap stuff -- so I know it's not the inks. Nothing would fix or clear this error, and it just refuses to print. So now I am stuck with a 1.5 year old expensive

13

<sup>&</sup>lt;sup>29</sup> http://www.amazon.com/Canon-All-In-One-Inkjet-Printer-1454B002/product-reviews/B000IVE2BY/ref=cm\_cr\_pr\_btm\_link\_2?ie=UTF8&pageNumber=2&showViewpoints =0&sortBy=byRankDescending (last visited Aug. 28, 2014).

<sup>&</sup>lt;sup>30</sup> <u>http://www.amazon.com/Canon-Office-All-On-One-Inkjet-Printer/product-reviews/B000V2TTNG/ref=cm\_cr\_pr\_btm\_link\_2?ie=UTF8&pageNumber=2&showViewpoints=0&sortBy=bySubmissionDateDescending</u> (last visited August 28, 2014).

http://www.amazon.com/Canon-Wireless-All-In-One-office-Printer/product-reviews/B001R4C5BK/ref=cm\_cr\_pr\_btm\_link\_10?ie=UTF8&pageNumber=10&showViewpoints=0&sortBy=bySubmissionDateDescending (last visited August 28, 2014).

doorstop. Cost to repair would be more than cost of a new printer. The MX860 is just not built for the long-run, as can be seen by numerous posts all over the internet about this exact same problem. So I will probably never buy a Canon printer again. Word of advice, spend wisely and steer clear of this one."<sup>32</sup>

- By Harvey from New York I really enjoyed this printer for about 2 years. Then I got a message "Error U052". The print head failed. I called Canon and they told me to try a fix that didn't work. Next they told me I could take it to an authorized repair center about 25 miles away. The tech guy said they have been seeing this problem and offered me a 25% discount on a new printer. However, no other printer uses the stack of cartridges that I already bought for this printer. So, it's all wasted. It was a great printer while it worked, but I'm going somewhere else for my next printer."<sup>33</sup>
- By Alan D. Correll "My printer is only 17 months old and has given me a U052 error: incorrect print head. I have never had a printer that failed so quickly. Now I face a repair bill that probably will be for more than the printer is worth. I am very dissatisfied."<sup>34</sup>
- By A. Khamari (Baltimore, MD) "I bought this printer last year in June, to replace the canon mx700 I had for 5.5 years. not even a month after the one year warranty expired, the printer stopped working giving out error U052 you have incorrect printer head.... called support and they basically said that I'm out of luck..."<sup>35</sup>

# **CLASS ACTION ALLEGATIONS**

26. Plaintiffs bring this action on behalf of themselves and all other members of a class consisting of all purchasers of the Printers in the United States (the "Class"). <sup>36</sup> Excluded from the

<sup>&</sup>lt;sup>32</sup> <a href="http://www.amazon.com/Canon-Wireless-All-In-One-office-Printer/product-reviews/B001R4C5BK/ref=cm\_cr\_pr\_btm\_link\_11?ie=UTF8&pageNumber=11&showViewpoints=0&sortBy=bySubmissionDateDescending">http://www.amazon.com/Canon-Wireless-All-In-One-office-Printer/product-reviews/B001R4C5BK/ref=cm\_cr\_pr\_btm\_link\_11?ie=UTF8&pageNumber=11&showViewpoints=0&sortBy=bySubmissionDateDescending">http://www.amazon.com/Canon-Wireless-All-In-One-office-Printer/product-reviews/B001R4C5BK/ref=cm\_cr\_pr\_btm\_link\_11?ie=UTF8&pageNumber=11&showViewpoints=0&sortBy=bySubmissionDateDescending">http://www.amazon.com/Canon-Wireless-All-In-One-office-Printer/product-reviews/B001R4C5BK/ref=cm\_cr\_pr\_btm\_link\_11?ie=UTF8&pageNumber=11&showViewpoints=0&sortBy=bySubmissionDateDescending">http://www.amazon.com/Canon-Wireless-All-In-One-office-Printer/product-reviews/B001R4C5BK/ref=cm\_cr\_pr\_btm\_link\_11?ie=UTF8&pageNumber=11&showViewpoints=0&sortBy=bySubmissionDateDescending</a> (last visited August 28, 2014).

http://www.amazon.com/Canon-Wireless-Office-Printer-4206B002/product-reviews/B0032AN4M6/ref=cm\_cr\_pr\_btm\_link\_5?ie=UTF8&pageNumber=5&showViewpoints=0&sortBy=bySubmissionDateDescending (last visited August 28, 2014).

<sup>&</sup>lt;sup>34</sup> <u>http://www.amazon.com/Canon-MX892-Wireless-Printer-Scanner/product-reviews/B007CGULSQ/ref=cm\_cr\_pr\_btm\_link\_5?ie=UTF8&pageNumber=5&showViewpoints=0&sortBy=bySubmissionDateDescending</u> (last visited August 28, 2014).

<sup>&</sup>lt;sup>35</sup> <u>http://www.amazon.com/Canon-MX892-Wireless-Printer-Scanner/product-reviews/B007CGULSQ/ref=cm\_cr\_pr\_btm\_link\_24?ie=UTF8&pageNumber=24&showViewpoints=0&sortBy=bySubmissionDateDescending (last visited August 28, 2014).</u>

<sup>&</sup>lt;sup>36</sup> Plaintiffs reserve the right to amend the class definition in connection with the class certification proceedings.

Class is Defendant herein, and any person, firm, trust, corporation, or other entity related to or affiliated with Defendant, including, without limitation, persons who are directors of Canon. Plaintiffs also assert certain causes of action on behalf of Subclasses of consumers in the states of New York, California and Virginia in the alternative to the Class.

- 27. The Class is composed of no fewer than tens of thousands of persons, and is sufficiently numerous for class treatment. The joinder of all Class members individually in one action would be impracticable, and the disposition of their claims in a class action will provide substantial benefits to the parties and the Court.
- 28. Plaintiffs' claims are typical of the claims of the Class and Plaintiffs have no interests adverse to the interests of other members of the Class.
- 29. This dispute raises questions of law and fact that are common to all Class members. Those common questions predominate over questions that arise on an individual basis for Class members. The common questions of law and fact include, without limitation:
  - (a) Whether Canon's representations, omissions, and conduct regarding the Printers were misleading or false;
  - (b) Whether Canon's representations and conduct were likely to deceive consumers into believing that the Printers operated properly;
  - (c) Whether Canon undertook a course of conduct to hide the existence of the Defect from the members of the Class;
  - (d) Whether the Printer Defect constitutes a manufacturing or design defect;
  - (e) Whether the members of the Class have been injured by Canon's conduct;
  - (f) Whether Canon's warranty limitations are unconscionable;

- (g) Whether the members of the Class have sustained damages and are entitled to restitution as a result of Canon's wrongdoing and, if so, what is the proper measure and appropriate formula to be applied in determining such damages and restitution; and
- (h) Whether the members of the Class are entitled to injunctive relief.
- 30. Plaintiffs will fairly and adequately protect the interests of the Class and have retained counsel experienced and competent in the prosecution of class action litigation.
- 31. A class action is superior to other methods for the fair and efficient adjudication of the claims herein asserted. Plaintiffs anticipate that no unusual difficulties are likely to be encountered in the management of this class action.
- 32. A class action will permit a large number of similarly situated persons to prosecute their common claims in a single forum simultaneously, efficiently, and without the duplication of effort and expense that numerous individual actions would engender. Class treatment also will permit the adjudication of relatively small claims by many Class members who could not otherwise afford to seek legal redress for the wrongs complained of herein. If a Class or general public action is not permitted, Class members will continue to suffer losses and Canon's misconduct will continue without proper remedy.
- 33. Canon has acted and refused to act on grounds generally applicable to the entire Class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the Class as a whole.

#### **COUNT I**

# VIOLATION OF THE NEW YORK CONSUMER PROTECTION ACT

# § 349 of the New York General Business Law (On Behalf of the New York Subclass)

- 34. Each of the above allegations is incorporated herein by reference.
- 35. Plaintiff Ho ("Plaintiff" for purposes of this claim) brings this claim on behalf of himself and the New York Subclass.
  - 36. Canon was and is engaged in business, trade and commerce in New York.
- 37. As described herein, Canon's acts or practices are deceptive and/or misleading in violation of Section 349 of the New York General Business Law, otherwise known as the New York Consumer Protection Act ("New York CPA").
- 38. Canon's sale and/or distribution in the State of New York of the Printers which Canon knew or should have known had the Defect constitutes deceptive and/or misleading acts or practices within the meaning of the New York CPA.
- 39. Canon's breaches of its respective expressed and implied warranties constitute deceptive and/or misleading acts or practices within the meaning of the New York CPA.
- 40. Plaintiff and the other Class members have been injured by Canon's deceptive and/or misleading practices as detailed above.
- 41. Plaintiff and the other Class members are entitled to damages under the New York CPA.

#### **COUNT II**

# VIOLATION OF THE CALIFORNIA CONSUMERS LEGAL REMEDIES ACT, CALIFORNIA CIVIL CODE § 1750, ET SEQ.

(On Behalf of the California Subclass)

- 42. Plaintiffs incorporate by reference the allegations of all foregoing Paragraphs as if such had been set forth in full herein.
- 43. Plaintiff Clark ("Plaintiff" for purposes of this claim) brings this claim on behalf of herself and the California Subclass.
- 44. California's Consumer Legal Remedies Act ("CLRA") prohibits unfair methods of competition and unfair or "deceptive acts or practices undertaken by any person in a transaction intended to result or which results in the sale or lease of goods or services to any consumer." CAL. CIV. CODE § 1770.
- 45. Defendant engaged in unfair and deceptive acts in violation of the CLRA by the practices described above, and by knowingly and intentionally concealing from Plaintiff and Class members that the Printers suffer from a design defect (and the costs and diminished value of the Printers as a result of this problem). These acts and practices violate, at a minimum, the following sections of the CLRA:
  - (a)(2) Misrepresenting the source, sponsorship, approval or certification of goods or services;
  - (a)(5) Representing that goods or services have sponsorships, characteristics, uses, benefits or quantities which they do not have, or that a person has a sponsorship, approval, status, affiliation or connection which he or she does not have;
  - (a)(7) Representing that goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another;
  - (a)(9) Advertising goods and services with the intent not to sell them as advertised; and

(a)(19) Inserting an unconscionable provision into a contract.

46. Defendant's unfair and deceptive acts caused injuries to Plaintiff and Class members.

#### **COUNT III**

# VIOLATIONS OF THE CALIFORNIA BUSINESS AND PROFESSIONS CODE (CAL. BUS. & PROF. CODE § 17200) (On Behalf of the California Subclass)

- 47. Plaintiffs and the Class incorporate by reference each preceding and succeeding paragraph as though fully set forth at length herein.
- 48. Plaintiff Clark ("Plaintiff" for purposes of this claim) brings this claim on behalf of herself and on behalf of the California Subclass.
- 49. The California Unfair Competition Law ("UCL") prohibits acts of "unfair competition," including any "unlawful, unfair or fraudulent business act or practice" and "unfair, deceptive, untrue or misleading advertising." CAL. Bus. & Prof. Code § 17200.
- 50. Canon has engaged in unfair competition and unfair, unlawful or fraudulent business practices by the conduct, statements, and omissions described above, and by knowingly and intentionally concealing from Plaintiff and the Class members that the Printers suffer from a design defect. Defendants should have disclosed this information because they were in a superior position to know the true facts related to this design defect, and Plaintiff and Class members could not reasonably be expected to learn or discover the true facts related to this defect.
- 51. These acts and practices have deceived Plaintiff and are likely to deceive the public. In failing to disclose the design defect and suppressing other material facts from Plaintiff and the Class members, Defendant breached its duties to disclose these facts, violated the UCL, and caused injuries to Plaintiff and the Class members. The omissions and acts of concealment

by Defendant pertained to information that was material to Plaintiff and Class members, as it would have been to all reasonable consumers.

- 52. The injuries suffered by Plaintiff and the Class members are greatly outweighed by any potential countervailing benefit to consumers or to competition, nor are they injuries that Plaintiff and the Class members should have reasonably avoided.
- 53. Canon's acts and practices are unlawful because they violate CAL. CIV. CODE §§ 1668, 1709, 1710, and 1750 *et seq.*, and CAL. COMM. CODE § 2313.
- 54. Plaintiffs seek to enjoin further unlawful, unfair and/or fraudulent acts or practices by Canon, to obtain restitutionary disgorgement of all monies and revenues generated as a result of such practices, and all other relief allowed under CAL. Bus. & Prof. Code § 17200.

# COUNT IV VIOLATIONS OF THE VIRGINIA CONSUMER PROTECTION ACT (VA. CODE § 59.1-197 et seq.) (On Behalf of the Virginia Subclass)

- 55. Plaintiffs incorporate by reference the allegations of all foregoing Paragraphs as if such had been set forth herein.
- 56. Virginia's Consumer Protection Act ("Virginia CPA") prohibits, among other things, the use of any deception, fraud, false promise, or misrepresentation in connection with a consumer transaction. VA. CODE § 59.1-200(14).
- 57. Defendant engaged in acts in violation of the Virginia CPA by the practices describes above, and by knowingly and intentionally concealing from plaintiffs and Class members that the Printers suffer from a design defect (and the costs and diminished value of the Printers as a result of this problem). These acts and practices violate, at a minimum, the following sections of the Virginia CPA:

- (A)(2) Misrepresenting the source, sponsorship, approval or certification of goods or services;
- (A)(6) Misrepresenting that goods or services are of a particular standard, quality, grade, style or model;
- (A)(8) Advertising goods or services with intent not to sell them as advertised, or with intent not to sell them at the price or upon the terms advertised; and
- (A)(14) Using any other deception, fraud, false pretense, false promise, or misrepresentation in connection with and consumer transaction.
- 58. Defendant's unfair and deceptive practices caused injuries to Plaintiff and Class members.

# COUNT V BREACH OF EXPRESS WARRANTY

# (On Behalf of the Nationwide Class or, Alternatively, each of the State Subclasses)

- 59. Each of the above allegations is incorporated herein by reference.
- 60. Plaintiffs bring this claim on behalf of themselves and the members of the Class.
- 61. Canon, as the designer, manufacturer, distributor and seller of the Printers, expressly warranted that the Printers were not inherently defective.
- 62. Canon's affirmations of fact and/or promises relating to the Printers created express warranties that the Printers purchased by Plaintiff and the Class would operate properly and without defects. Canon breached the express warranty in that the Printers did not conform to the promises or affirmations of fact made by Canon to the Plaintiff and members of the Class.
- 63. Alternatively, Canon's descriptions of the Printers became part of the bargains between consumers and Canon, creating express warranties that the Printers purchased by Plaintiff and the Class would conform to Canon's representations.

- 64. If Plaintiff and the members of the Class had known the true facts, they would not have purchased the Printers, and would have purchased a different brand of Printer.
- 65. Despite the fact that the Defect was present in the Printers at the time of purchase, and well within the warranty limitations period, Canon has refused to pay for labor or diagnostic expenses for consumers with Printers manifesting the Defect for more than one year after purchase, and Canon has refused to pay any part of the cost of repairing Printers which manifest the Defect more than one year after purchase.
- 66. Under the circumstances, Canon's limits on its warranties are unconscionable and unenforceable as Canon knew or should have known that the nature of the Defect would render the time limitation in its written warranty grossly inadequate to protect consumers from the Defect, and would subject consumers to expensive repair costs (frequently in excess of the value of the Printer). Canon failed to include in its warranty any disclosure regarding the existence of the known Defect, or the gross inadequacy of the limitations period contained in its written warranty.
- 67. Defendant's attempt to disclaim or limit these express warranties vis-à-vis consumers is unconscionable and unenforceable. Specifically, Defendant's warranty limitation is unenforceable because they knowingly sold a defective product without informing consumers about the defect.
- 68. The time limits contained in Defendant's warranty period were also unconscionable and inadequate to protect Plaintiffs and members of the Class. Among other things, Plaintiffs and Class members had no meaningful choice in determining these time limitations, the terms of which unreasonably favored Defendant. A gross disparity in bargaining power existed between Canon and Class members, and Canon knew or should have known that the Printers were defective at the time of sale and would fail well before their useful lives

- 69. Plaintiffs and Class members have complied with all obligations under the warranty, or otherwise have been excused from performance of said obligations as a result of Defendant's conduct described herein.
  - 70. As a result of the foregoing, Plaintiff and the Class have suffered damages.

#### **COUNT VI**

# Breach of the Implied Warranty of Merchantability (On Behalf of the Nationwide Class or, Alternatively, the State Subclasses)

- 71. Each of the above allegations is incorporated herein by reference.
- 72. Plaintiffs bring this claim on behalf of themselves and the members of the Class.
- 73. Canon's affirmations of fact and/or promises relating to the Printers created implied warranties that the Printers would operate properly and without defects.
- 74. Alternatively, Canon's descriptions of the Printers became part of the bases of the bargains between Plaintiff and the Class and Canon, creating implied warranties that the Printers purchased by Plaintiff and the Class would conform to Canon's representations.
  - 75. In fact, the Printers purchased by Plaintiff and the Class did not so conform.
- 76. Canon also breached the implied warranty of merchantability because the Printers were unfit for their intended and ordinary use as a result of the Defect. Canon cannot disclaim this implied warranty as the Company knowingly sold a defective product.
- 77. Canon also breached the implied warranty of fitness for a particular purpose, as Plaintiff and the Class unknowingly purchased defective Printers for personal use.
- 78. The Printers were defective when they left the exclusive control of Canon. Plaintiff and members of the Class did not receive the goods as warranted.
- 79. Defendant's attempt to disclaim or limit the implied warranty of merchantability vis-à-vis consumers is unconscionable and unenforceable here. Specifically, Defendants'

warranty limitation is unenforceable because they knowingly sold a defective product without informing consumers about the defect.

- 80. The time limits contained in Defendant's warranty period were also unconscionable and inadequate to protect Plaintiffs and member of the Class. Among other things, Plaintiffs and members of the Class had no meaningful choice in determining these time limitations, the terms of which unreasonably favored Defendant. A gross disparity in bargaining power existed between Canon and Class members, and Canon knew or should have known that the Printers were defective at the time of sale and would fail well before their useful lives.
- 81. Plaintiffs and Class members have complied with all obligations under the warranty, or otherwise have been excused from performance of said obligations as a result of Defendant's conduct described herein.
  - 82. As a result of the foregoing, Plaintiff and the Class have suffered damages.

#### **COUNT VII**

# Unjust Enrichment (On Behalf of the Nationwide Class or, Alternatively, the State Subclasses)

- 83. Each of the above allegations is incorporated herein by reference. This count is plead in the alternative to the contract based claims.
- 84. Canon has received benefits at the expense of Plaintiff and the Class members, and it is inequitable for Canon to retain these benefits.
- 85. Through its unfair and deceptive conduct, Canon has unlawfully obtained money from Plaintiff and the Class members for defective Printers.
- 86. As a direct and proximate result of Canon's unlawful acts and practices, Plaintiff and the Class have paid money to Canon for defective Printers, and are therefore entitled to

restitution and restoration of the money they paid to Canon, along with interest thereon from the date of payment.

# **PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs respectfully request that this Court enter judgment as follows:

- A. Declaring that this action is properly maintainable as a class action and certifying Plaintiffs as Class Representatives;
- B. Awarding restitution and disgorgement as a result of Canon's unfair business practices;
- C. Awarding Plaintiffs and the Class compensatory, punitive and other available damages as a result of Canon's violations and enjoining Canon from continuing the illegal practices set out above;
- D. Requiring Canon to inform the Class members of the Defect possessed by its Printers;
  - E. Awarding pre- and post-judgment interest;
  - F. Awarding attorney fees, expenses, and costs; and
  - G. Providing such other and further relief as this Court may deem just and proper.

### **DEMAND FOR TRIAL BY JURY**

Trial by jury is demanded.

# Respectfully submitted,

Dated: September 15, 2014

#### By: /s/ William B. Federman

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# Plaintiffs' Liaison Counsel

# **CERTIFICATE OF SERVICE**

I, William Federman, certify that I caused the foregoing **PLAINTIFFS**' **CONSOLIDATED CLASS ACTION COMPLAINT** to be electronically filed in this case on September 15, 2014 using the Court's CM/ECF System, thereby serving it upon all counsel of record in this case.

/s/ William Federman
William Federman